



FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Announcement of Board Approval under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, with revision, the Interchange Transaction Fees Survey. The revisions are applicable as of the collection of calendar year 2019.

FOR FURTHER INFORMATION CONTACT:

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Office of Management and Budget (OMB) Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

A copy of the Paperwork Reduction Act (PRA) OMB submission, including the reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files. These documents also are available on the Federal Reserve Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above.

SUPPLEMENTARY INFORMATION: On June 15, 1984, OMB delegated to the Board authority under the PRA to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. Board-approved

collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the PRA Submission, supporting statements, and approved collection of information instrument(s) are placed into OMB's public docket files.

Final Approval under OMB Delegated Authority of the Extension for Three Years, With Revision, of the Following Information Collection:

Report title: Interchange Transaction Fees Survey.

Agency form number: FR 3064.

OMB control number: 7100-0344.

Effective Date: The revisions are effective for the collection of calendar year 2019.

Frequency: Annually.

Respondents: Debit card issuers and payment card networks.

Estimated number of respondents: FR 3064a, 541 respondents; and FR 3064b, 15 respondents.

Estimated average hours per response: FR 3064a, 160 hours; and FR 3064b, 75 hours.

Estimated annual burden hours: FR 3064a, 86,560 hours; and FR 3064b, 1,125 hours.

General description of report: The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) requires the Board to disclose, at least every two years, such aggregate or summary information concerning the costs incurred for, and interchange transaction fees received by, issuers with respect to debit card transactions as the Board considers appropriate or in the public interest. The data from these surveys are used in fulfilling that disclosure requirement. In addition, the Board uses data from the payment card network survey (FR 3064b) to publicly report on an annual basis the extent

to which networks have established separate interchange fees for exempt and covered issuers.¹ Finally, the Board uses the data from these surveys in determining whether to propose revisions to the interchange fee standards in Debit Card Interchange Fees and Routing (Regulation II) (12 CFR Part 235). The Dodd-Frank Act provides the Board with authority to require debit card issuers and payment card networks to submit information in order to carry out provisions of the Dodd-Frank Act regarding interchange fee standards.

Legal authorization and confidentiality: The FR 3064 is authorized by subsection 920(a) of the Electronic Fund Transfer Act, which was amended by section 1075(a) of the Dodd-Frank Act.² This statutory provision requires the Board, at least once every two years,³ to disclose aggregate or summary information concerning the costs incurred and interchange transaction fees charged or received by issuers or payment card networks in connection with the authorization, clearance or settlement of electronic debit transactions as the Board considers appropriate and in the public interest.⁴ It also provides the Board with authority to require issuers and payment card networks to provide information to enable the Board to carry out the provisions of the subsection.⁵ The FR 3064 is mandatory. In accordance with the statutory requirement, the Board releases aggregate or summary information from the survey responses. In addition, the Board releases, at the network level, the percentage of total number of transactions, the percentage of total value of

¹ Average debit card interchange fee by payment card network
<http://www.federalreserve.gov/paymentsystems/regii-average-interchange-fee.htm>.

² 15 U.S.C. 1693o-2.

³ The subsection refers to bi-annual disclosures and the Board interprets this to mean once every two years.
See 76 FR 43458.

⁴ 15 U.S.C. 1693o-2(a)(3)(B).

⁵ *Id.*

transactions, and the average transaction value for exempt and not-exempt issuers obtained on the FR 3064b. The Board has determined to release this information both because it can already be determined mathematically based on the information the Board currently releases on average interchange fees and because the Board believes the release of such information may be useful to issuers and merchants in choosing payment card networks in which to participate and to policymakers in assessing the effect of Regulation II on the level of interchange fees received by issuers over time.

The remaining individual issuer and payment card information collected on these surveys may be kept confidential under exemption (b)(4) of the Freedom of Information Act (FOIA) to the extent that, if released, this information would cause substantial harm to the competitive position of the survey respondents.⁶

Current actions: On August 12, 2019, the Board published a notice in the *Federal Register* (84 FR 39847) requesting public comment for 60 days on the extension, with revision, of the FR 3064. The Board proposed revisions to the FR 3064a to 1) remove the breakout of interchange fees reimbursed to acquirers as a result of chargebacks or returns, 2) add tokenization as an option for fraud prevention activity, and 3) update the survey instructions and glossary terms to improve clarity. In addition, the Board proposed revisions to the FR 3064b to 1) remove a question about the number of merchant establishments, 2) remove questions about offering an interchange fee schedule that differentiates between exempt and non-exempt issuers, 3) remove questions about refunds of interchange fees to acquirers for chargebacks and returns, and 4) update the survey instructions and glossary of terms to improve clarity. The comment period for this

⁶ See 5 U.S.C. 552(b)(4) (exempting from disclosure “trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential”).

notice expired on October 11, 2019. The Board did not receive any comments. The revisions will be implemented as proposed.

Board of Governors of the Federal Reserve System, November 22, 2019.

Michele Taylor Fennell,

Assistant Secretary of the Board.

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